

# Spotlight: Osisko Gold Royalties - A leading growth-oriented royalty company

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**Investment Case:** Osisko Gold Royalties Ltd operates as a precious metal royalty and streaming company. The company holds royalties and streams across a variety of base metal, gold and silver mines with precious metal royalties and streams forming the main focus. Investors participate in the success of a broadly diversified mining portfolio and have limited exposure to cost inflation and operational risks inherent to a traditional mining company. Osisko's business model ensures an extremely efficient cash deployment. It offers investors exposure to stable cash flows and high-quality assets in politically stable areas. In light of the residual economic risks and the monetary policy outlook as well as the ongoing geopolitical uncertainties and strong central bank demand we continue to expect a positive trend for gold over the course of the year. With its high leverage to gold, Osisko should benefit disproportionately.



Company highlights and financial performance in 2023	1
Company profile & business model	2
Market environment and outlook	3
Corporate history and governance	8
Assets	9
Recent news-flow	10
Valuation & Outlook	11
Strengths/Opportunities & Weaknesses/Threats	12
Financials	13
ESG Scoring	15
Terms and definitions	16
Disclaimer	17
Analyst	21

## Company highlights and financial performance in 2023

- With revenues of CAD 247.3 mn (+14%) and cost of sales of just CAD 16.6 mn Osisko delivered another strong result in 2023, with an annual cash margin of CAD 159.9 mn or 93%. The company returned a total of CAD 43.5 mn to shareholders, fully covered by operating cash flow from continuing operations of CAD 187.0 mn (+7%).
- Osisko earned an amount of 94,323 gold equivalent ounces ("GEOs") in 2023, representing an increase of 6% year-over-year. The company expects its portfolio to generate between 120.000 and 135.000 GEOs in 2028.
- Osisko Gold Royalties sold its 13.3% stake in the affiliated company Osisko Mining for CAD 132 mn in a move to simplify its governance structure and align itself as a pure-play precious metals royalty and streaming company.
- The company's liquidity position is more than comfortable to continue to participate in profitable projects and grow accordingly.
- The further upside potential for gold as well as the other precious and industrial metals speak in favour of an upward development of the Osisko share price.

## Company data

Price as of 25.03.24*	21,44	Index	TSX Composite
Year high/low	15.63/23.94	Primary Exchange	Toronto Stock Exchange
Currency	CAD	ISIN code	CA68827L1013
Shares outstanding	185 mn	Secondary Listing	NYSE
Market capitalisation (total shares)	CAD 4.0 bn	Bloomberg	OR CN
Free float	99%	Reuters	OR.TO
Avg. daily turnover (12 m; # shares)	1.6 mn	Website	<a href="https://osiskogr.com/en/">https://osiskogr.com/en/</a>

\* The indicated price is the last price as available at 25.03.24

Source: LSEG, Bloomberg, RBI/Raiffeisen Research

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## Company profile & business model

Osisko Gold Royalties Ltd is engaged in the business of acquiring and managing **precious metal** and other **high-quality royalties, streams** and similar interests. Osisko invests capital in exploration, development and producing assets in exchange for a percentage of future production.

**Royalties** are more common where precious metals are the primary product of a mine, whereas **streams** are most common where gold or silver is a by-product of base metal production. The company was founded upon the creation of a 5% net smelter return (NSR) royalty on the Canadian Malartic Mine in 2014 which is the cornerstone asset.

It is a public company and traded on the **Toronto Stock Exchange (TSE)** and the **New York Stock Exchange (NYSE)**. The focus on high-quality, long-life precious metals assets which are located in markets with a safe jurisdiction and that are operated by established mining companies ensures an outstanding risk/return profile. Furthermore, Osisko constantly evaluates investment opportunities in other commodities.

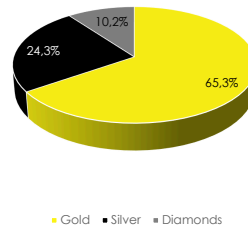
### Osisko's model



Source: Osisko

The **main focus of the company's assets is on gold**, which is why we will take a closer look at the gold market in the section below. However, the mining projects also provide a significant output of silver.

### High gold weighting



GEOs Q1-Q4 2023

Source: Osisko, RBI/Raiffeisen Research

The company expresses its output as so called "**Gold equivalent ounces ("GEOs")**". This is a financial term that is used throughout the mining industry to put the other mined material on equal footing, as byproduct metals can make it difficult for investors to get a clear view on the company's production profile if they would need to consider multiple metals.

At Osisko, **GEOs comprise mostly gold**. Other elements are converted on a quarterly basis to gold equivalent ounces. For example, the silver ounces earned are multiplied by the average silver price for the period and dividing by the average gold price for the period. The company's forecasts are based on analyst consensus estimates for the respective metal price.

### Financial figures (in CAD)

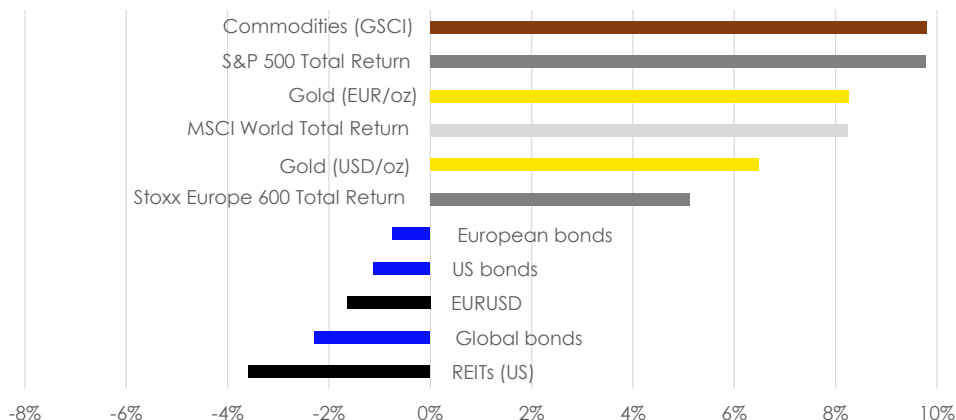
	2023	Δ yoy	2024e	Δ yoy	2025e	Δ yoy
Revenue in mn.	247,3	14%	233,3	-6%	284,4	22%
Gross profit	174,3	16%	220,5	27%	268,8	22%
Net income/loss (cont. op.)	-48,3	-157%	100,5	-308%	120,6	20%
Earnings per share (cont. op.)	-0,26	-155%	0,56	-315%	0,65	16%
Dividend per share	0,24	7%	0,22	-6%	0,23	5%
Dividend yield	1,1%		1,1%		1,2%	
Price/earnings ratio	neg.		38,4		33,1	
EV/EBITDA	24,9		20,8		18,8	
Price/sales ratio	14,2		17,0		14,0	

Source: Bloomberg, Osisko, RBI/Raiffeisen Research

## Market environment and outlook

**Gold (in USD)** recently reached a new record high of USD 2,185 per ounce, recording a **remarkable performance of around 7% since the beginning of the year**. The precious metal thus performed almost as strong as the stock markets, which are also benefiting from the prospect of falling key interest rates and bond yields. What makes the surge interesting, however, is the fact that it took place without any significant changes to the interest rate outlook. Nevertheless, we believe that the central banks are the main driver behind the rally — in their role as heavyweight global buyers of gold.

### Development of asset classes since the beginning of 2024



Prices as of 03/26/2024

Source: Bloomberg, RBI/Raiffeisen Research

### Prospects for gold remain favourable despite possible short-term setbacks

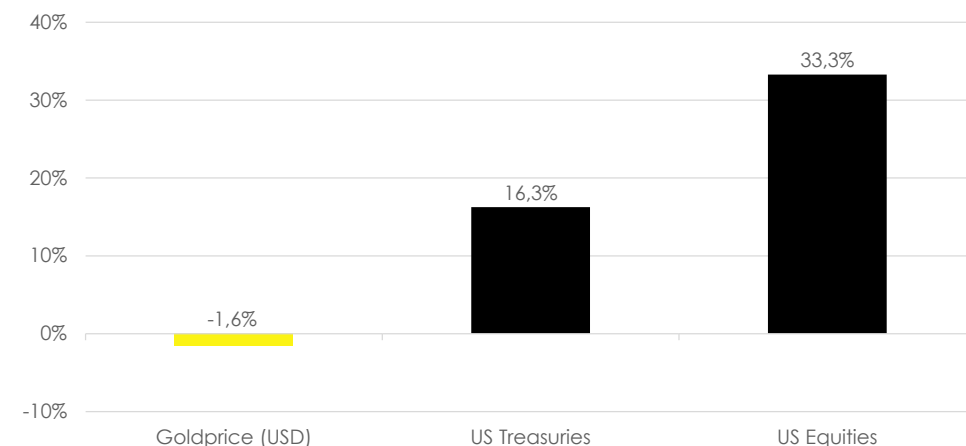
We remain **optimistic** about the further development of the gold price **for the remainder of the year and beyond**. Due to the rapid rise in recent weeks, **short-term setbacks** are of course possible, but these **do not stand in the way of a long-term upward trend**. In our view, the following key influencing factors are emerging:

#### 1) Economic development

Due to high inflation, interest rates that have risen to a 15-year high and the consequences of war (increased energy and raw material costs, etc.), **economic momentum is expected to remain weak with growth rates below potential**. However, the slowdown is less dramatic than was feared a year ago. There is a growing belief on the markets that the central banks could manage a "soft landing" for the economy. This is also our base scenario. We expect GDP growth of +0.5% for the eurozone in 2024. The eurozone economy also grew by +0.5% in 2023. A stronger upward trend of +1.5% is not expected until 2025. For the US economy, analysts expect GDP growth rates of +1.8% this year and +1.6% next year. The US economy is proving to be quite resilient at times, particularly due to the robust labor market and consumption.

Historically, however, the Fed has only managed to bring about a soft landing in two out of nine economic cycles in the last five decades. In the other seven cases, a soft landing ultimately turned into a hard landing, with labor market developments being the main reason for this. From the two observations of a **soft landing of the US economy** in the 1980s and 1990s, it can be concluded that **gold tended to move sideways** during such phases. Bonds and equities, on the other hand, benefited even more from interest rate cuts and the dampening of economic concerns.

## Weaker gold performance during soft landings



Average computed using monthly data from July 1984 to July 1985 and May 1995 to May 1996. Gold is LBMA-price; US Treasuries: ICE BoFA Treasury & Agency Index; US Equities: MSCI USA Total Return Index

Source: Bloomberg, World Gold Council

## 2) Monetary policy

The key interest rate ceilings have been reached in both the US and the eurozone and the markets are focusing on the upcoming cuts. The **Fed** recently left key interest rates unchanged at 5.25% to 5.5%. However, Fed Chairman Powell's choice of words suggests the first interest rate cuts in the second quarter, which are likely to extend into 2026. Accordingly, we expect three interest rate cuts of 25 basis points each in 2024.

At its March meeting, the **ECB** also decided to leave key interest rates unchanged. As a result, the deposit rate (4.0%), main refinancing rate (4.5%) and marginal lending rate (4.75%) remained unchanged. The ECB's updated economic forecasts recently provided the first indications of possible cuts. These showed declining figures for both inflation and economic growth compared to the December meeting. In line with the underlying data, we believe that the ECB will make its first interest rate cut in June. This should be followed by at least two further cuts of 25 basis points each by the end of the year.

In view of falling inflation rates, a **departure from the restrictive monetary policy** appears to be **necessary** on both sides of the Atlantic. The prospect of key interest rates falling again has recently put strong pressure on real interest rates, which have fallen from a peak of +2.5% to +1.8% in the US. Although we believe that the upcoming interest rate cuts this year are priced into the gold price to a certain extent — especially after the recent strong upward movement of the precious metal — the declining interest rates and yields over a long period (until 2026) should tend to be supportive, as this reduces the opportunity costs for investments in the non-interest-bearing precious metal.

## Gold price (in USD) & real rates



calculated on the basis of inflation-protected US bonds (10 y)

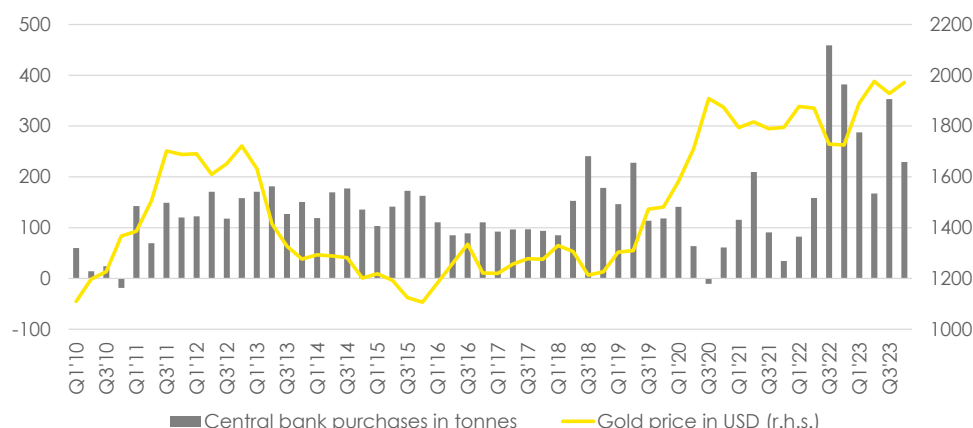
Source: LSEG, RBI/Raiffeisen Research

## 3) Central bank purchases

Global central banks remain a **key driver of the strong gold price**, especially as they have accounted for around a quarter of global demand in the last two years. In 2023, they purchased a total of 1,037.4 tons, almost as much as in the previous year (1,081.9 tons). This is substantially more than in previous years and underlines the central banks' **intention** to generally **diversify** their **reserves** more strongly. The diversification efforts of central banks from emerging markets are more pronounced, with geopolitics playing a particularly important role. The freezing of Russia's currency reserves following the attack on Ukraine has shown that currency reserves can certainly be used as a means of exerting pressure in the event of sanctions.

Since 2010, the central banks have consistently acted as net buyers on an annual basis and have acquired more than 7,800 tons during this period. The People's Bank of China (**PBoC**) made the most purchases in 2023, acquiring a total of 225 tons. According to the IMF, no other country has purchased such a large quantity in one year — at least since 1977.

## Central banks very active in gold purchases recently

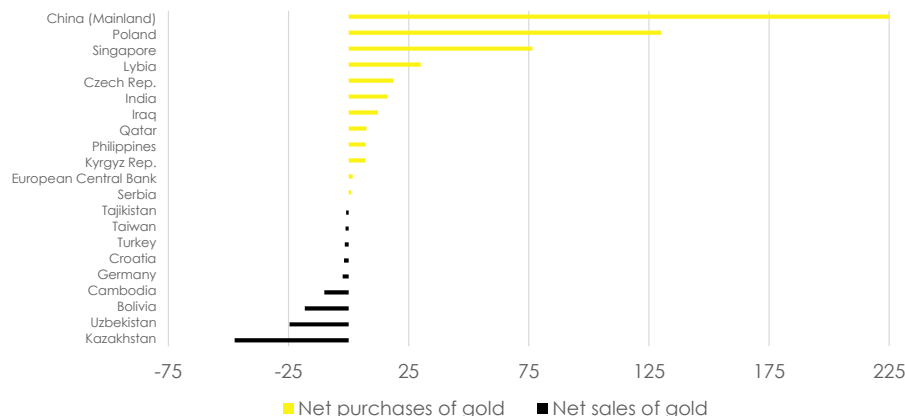


Source: WGC, RBI/Raiffeisen Research

All in all, we expect the **robust central bank demand** of 2022 and 2023 **to continue**. In addition to general diversification, some central banks are likely to seek to reduce their dependence on the US dollar regime in particular. The "hunger for gold" among the largest importer, China, appears to be continuing in the new year. For example, Swiss

exports to China tripled in January and are likely to be attributable not only to increased demand for jewelry in the run-up to the "Year of the Dragon" celebrations, but also to economic concerns and local financial market turbulence (keyword: real estate sector).

#### Net purchases significantly exceed sales in 2023

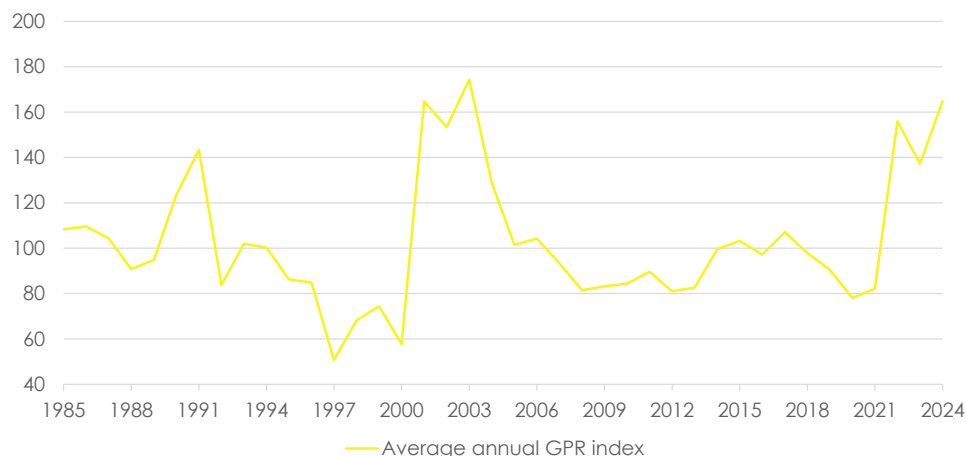


Source: IMF, Central banks, WGC, RBI/Raiffeisen Research

#### 4) Geopolitics

When gold climbed from just over USD 1,800 per ounce to around USD 2,000 within a few days from the beginning of October 2023, the fighting between Israel and Hamas in the wake of the hostage crisis was the decisive factor. As tragic as the events were and still are, **gold** once again emerged as a **safe haven**. Away from the theater of war in the Middle East, the war in Ukraine continues unabated. Although a **rapid end to the conflicts** is desirable, it is extremely **unlikely** in the near future.

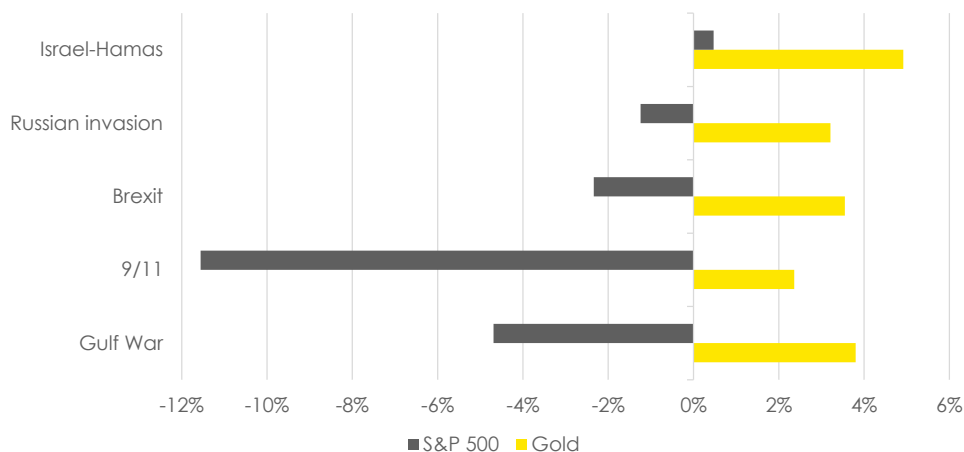
#### Increasing geopolitical risks



Source: Bloomberg, WGC, RBI/Raiffeisen Research

The **geopolitical component** will continue to **justify** a certain **risk premium** and favors safe havens such as gold. The uncertainties are leading to higher demand for the precious metal, particularly on the part of retail investors. Any further intensification or **expansion of the conflicts** could lead to **risk aversion** taking complete control of the financial markets again, which would once again result in a **flight to safe havens**. Such events usually lead to a sharp rise in gold in the days that follow.

## 5-day performance of gold after geopolitical event

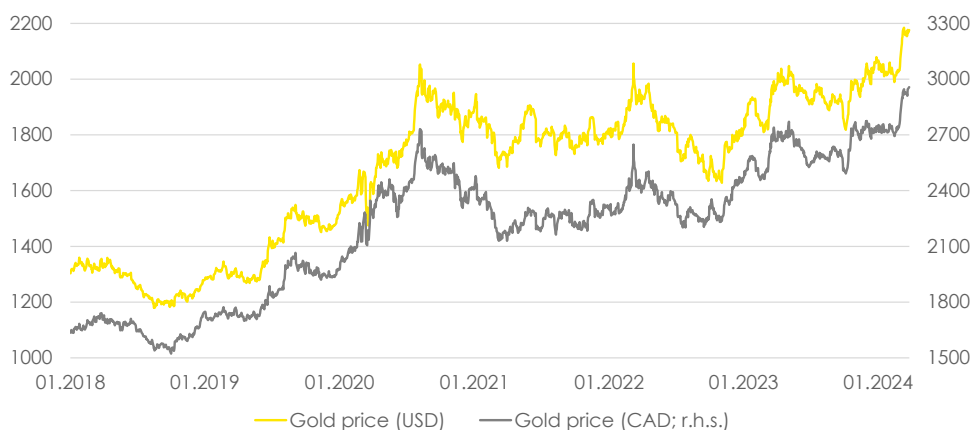


Source: Bloomberg, ICE, WGC, RBI/Raiffeisen Research

## 5) Development of the US dollar

With the prospect of the Fed cutting interest rates soon, we are forecasting a weakening of the USD against other major currencies over the year. This will have a **favorable effect** on the **gold price (USD)**.

### Gold (CAD) and gold (USD) more or less in sync



Source: LSEG, RBI/Raiffeisen Research

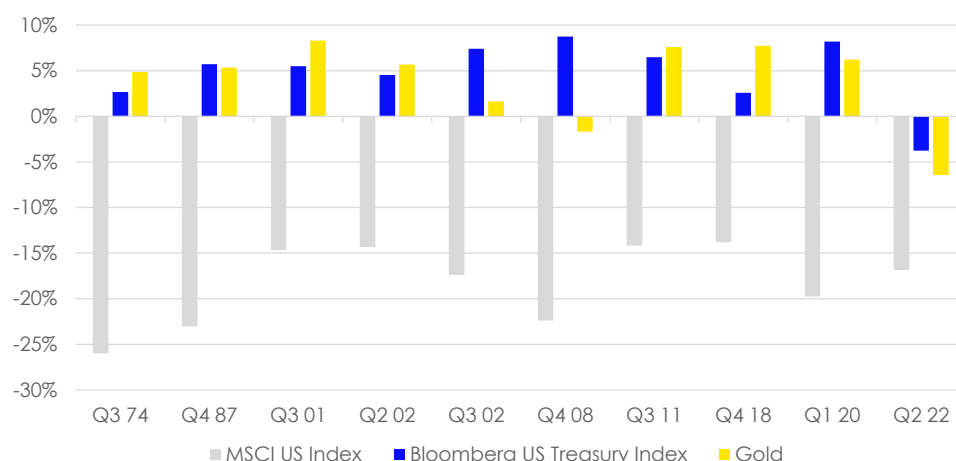
## 6) Hedging against setbacks on the stock markets

There is no doubt that the equity markets on both sides of the Atlantic Ocean have performed very well in recent quarters, setting record highs. In addition to the interest rate cut fantasy, the boom in specific technology stocks dedicated to the topic of AI also contributed. In the meantime, the bull market driven by individual high-flyers has also reached the broader market.

However, there are increasing signs that the recent heavily technology-driven upward trend is weakening. **Concerns about possible setbacks** on the equity markets are also **favoring gold**, which tends to be **negatively correlated with other risky assets**. This is all the more true in negative market phases, as the chart below illustrates. It shows the ten

worst quarters for US equities in the last 50 years and illustrates that gold was able to defy these stormy stock market phases and even make significant gains in eight of ten cases.

### Gold's performance in the 10 worst quarters of the US stock market

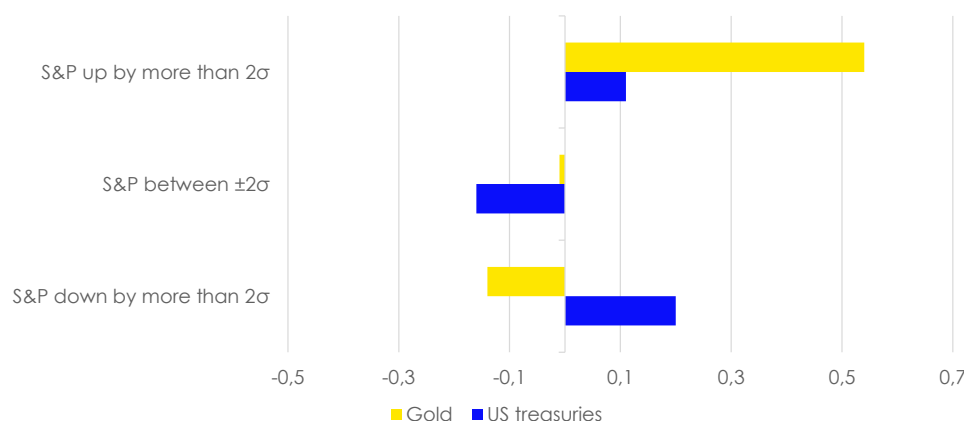


Data from 31 March 1973 to 31 December 2023

Source: Bloomberg, ICE, WGC, RBI/Raiffeisen Research

The negative correlation to equities can also be derived from the weekly returns of the S&P 500 Index. If these fall by around two standard deviations from the mean value or there is a negative market trend, gold has nevertheless been able to make gains.

### Correlation of gold



Correlation of US stocks versus gold and US stocks versus US treasuries in various environments of US stock market performance

Source: WGC, RBI/Raiffeisen Research

### Corporate history and governance

Osisko was **incorporated in 2014 as a spin-off** company. Beforehand, the white knights Yamana and Agnico Eagle Mines purchased Osisko Mining to fend off Goldcorp's hostile takeover bid. In a deal between Osisko Mining, Yamana and Agnico the new company Osisko Gold Royalties was created. While Yamana and Agnico each retained 50% ownership of Osisko Mining's **Malartic mine**, which is one of Canada's largest operating open-pit gold mines, Osisko Gold Royalties was spun-off with a 5% net smelter return on the mine.

Through several transactions and acquisitions of companies as well as investments in royalty contracts, **Osisko Gold Royalties continuously expanded its portfolio** over the years. With the rapid expansion, the **shareholder value** also **grew steadily**. Since 2014, the market capitalization has increased from CAD 847 mn to CAD 4.0 bn. Raising



equity and debt capital has always been in balance with the growth of the company. The company's shares are traded almost entirely in free float.

The **affiliated companies** include:

**Osisko Development** (39.7% ownership), which is a mineral exploration and development company focused on the acquisition, exploration and development of precious metals resource properties in North America. The activities once represented one of two distinct business segments of Osisko Gold Royalties. Effective on September 30, 2022 Osisko ceased to consolidate the subsidiary company as it was no longer in a position of control. Therefore, Osisko Gold Royalties derecognized the assets and liabilities of Osisko Development and started accounting for its interest using the equity method.

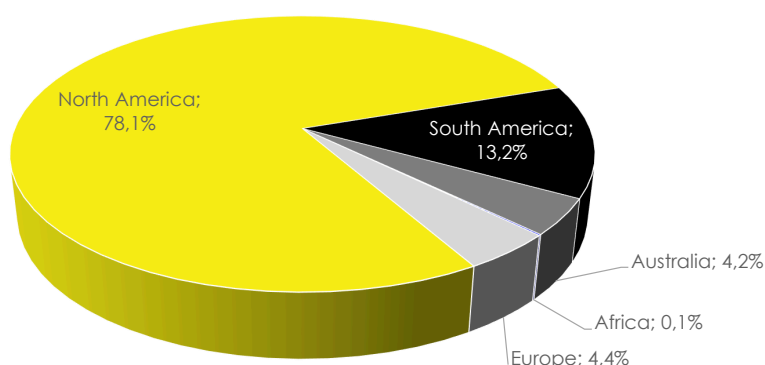
**Osisko Mining** (0%; before 13.3%) is a Canadian gold exploration and development company focused on its Windfall gold project where Osisko holds a 2.0% – 3.0% NSR royalty on the project. The advanced project is located in Quebec, Canada. On 13 December 2023, Osisko Gold Royalties announced that it sold 50,023,569 common shares of Osisko Mining Inc. for total gross proceeds of approximately CAD 132 mn.

## Assets

As of September 2023, Osisko owned a portfolio of over **167 royalties, 14 streams** and 3 offtakes, as well as 7 royalty options. Currently, the company has 22 producing assets. The cornerstone asset is a 5% NSR royalty on the **Canadian Malartic** open pit mine which is located in Malartic, Québec, and operated by Agnico Eagle Mines Limited. The underground mining ("Odyssey") offers the potential for an additional ~500koz of annual gold production by 2030.

Geographic revenue segmentation is determined by the location of the mining operations. **Most** of Osisko's royalty, stream and other interest **revenues were earned in North America**. The is to promote and develop mining projects in all stages of development through to production by providing royalty and stream financing. In some cases, equity financing may be provided to the partner alongside the royalty and stream financing. As a result, the value of the Osisko's investments can increase significantly.

## Geographic revenue segmentation



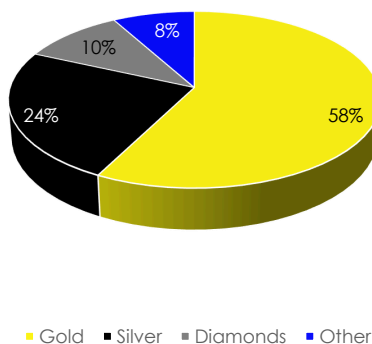
Q1-Q4 2023

Source: Osisko, RBI/Raiffeisen Research

Regarding development assets, Osisko has approximately 80% royalty and stream exposure to top assets in Canada, the United States and Australia, which highlights the growth potential of the company and underscores the company's strong footprint in these prime mining jurisdictions. All in all, **Osisko is less exposed to gold production** in developing countries, that sometimes appear with heightened **political uncertainty**.

The **main focus of the company's assets is gold**. In 2023, the mining projects also produced significant amounts of silver and diamonds, based on Osisko's revenues. From 2024 onwards, diamonds no longer play a role. To a lesser extent, the industrial metals copper, zinc and nickel as well as tungsten or tin also play a role. The latter in particular are becoming increasingly important, especially as global megatrends such as the increasing use of renewable energies in power generation or the switch from combustion engines to electric motors in the automotive industry are strengthening the "hunger" for these materials.

#### Revenue segmentation



Q1-Q4 2023

Source: Osisko, RBI/Raiffeisen Research

#### Recent news-flow

- With revenues of CAD 247.3 mn (+14%) and cost of sales of just CAD 16.6 mn Osisko delivered another **strong result in 2023**, with an annual cash margin of CAD 159.9 mn or 93%. The company **returned a total of CAD 43.5 mn to shareholders**, fully covered by operating cash flow from continuing operations of CAD 187.0 mn (+7%).
- The **net loss** from continuing operations of **CAD 48.3 mn** in 2023 primarily relates to **impairment charges of CAD 149.6 mn** on royalty and stream interests and investments (e.g. CAD 64.5 mn on Osisko Development, CAD 23.5 mn on the Tintic stream, CAD 15.1 on Renard diamond stream or CAD 37.5 mn related to credit losses on loans with Stronoway).
- Osisko earned an amount of **94,323 gold equivalent ounces ("GEOs") in 2023**, representing an **increase of 6% yoy**. Due to suspended operations at the Renard diamond mine by the operating company Stornoway, Osisko was able to achieve the lower end of its GEO delivery guidance range for 2023 (94.323 GEOS vs. original guidance range of 95.000 to 105.000 GEOs).
- Osisko Gold Royalties **sold** its 13.3% stake in the affiliated company **Osisko Mining for CAD 132 mn** in a move to simplify its governance structure and align itself as a pure-play precious metals royalty and streaming company. Furthermore, the transaction bolsters the financial position of Osisko by injecting immediate cash resources. The 2.0% to 3.0% NSR royalty on the Windfall Gold Project remains in force.
- In October 2023, Osisko announced the acquisition of a 1.0% NSR royalty on the **Namdini gold project** in Ghana for a total consideration of USD 35 mn. Namdini is set to become one of the most important gold mines in West Africa with a lifespan of 15 years and an average production of 287,000 ounces per year. The first gold production from Namdini is expected at the end of 2024.
- In November 2023 Osisko announced the appointment of **Jason Attew** as President and Chief Executive Officer as of January 2<sup>nd</sup>, 2024.
- In December 2023, Osisko renewed its normal course **issuer bid program** under which it may acquire up to 9,258,298 or **5% of outstanding common shares** until December 11, 2024.

## Valuation & Outlook

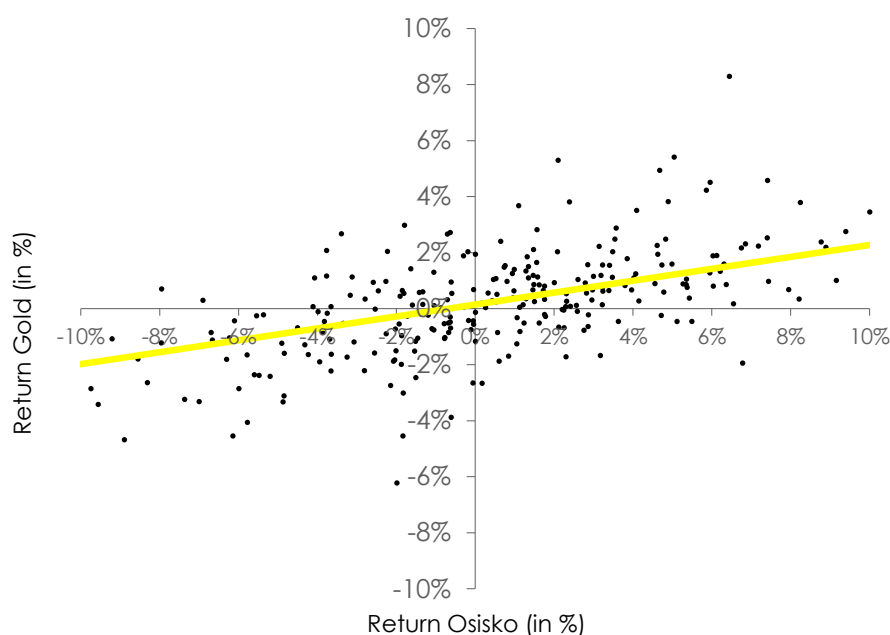
All in all, we assess the further **business prospects for Osisko Gold Royalties** and thus also for its investors as **favorable**. In our view, the following factors speak in favour of a continued **upward development** of the Osisko **share price**:

### A) Upside in the gold price

**All in all, based on our assumptions regarding global economic development and monetary policy, we see gold as well-supported for the year as a whole.** We believe that the latter has been priced in to a certain extent following the recent strong nominal price increases for gold. After reaching new all-time highs, we therefore **do not rule out temporary setbacks** and want to reflect this in lower forecasts for June and September. However, these should not be permanent in view of the continued **robust demand from central banks**. This is also supported by the structurally higher inflows into safe havens due to **geopolitical tensions**.

With its high leverage to gold, **Osisko Gold Royalties** should **benefit disproportionately** from the precious metals' favourable outlook. The regression analysis of the **Osisko share price** yields a relatively **high correlation with the gold price** with  $\beta=1.79$ , which also explains the relationship empirically.

#### Osisko with high correlation to gold ( $\beta=1.79$ )



Logarithmic returns since January 2019

Source: Bloomberg, RBI/Raiffeisen Research

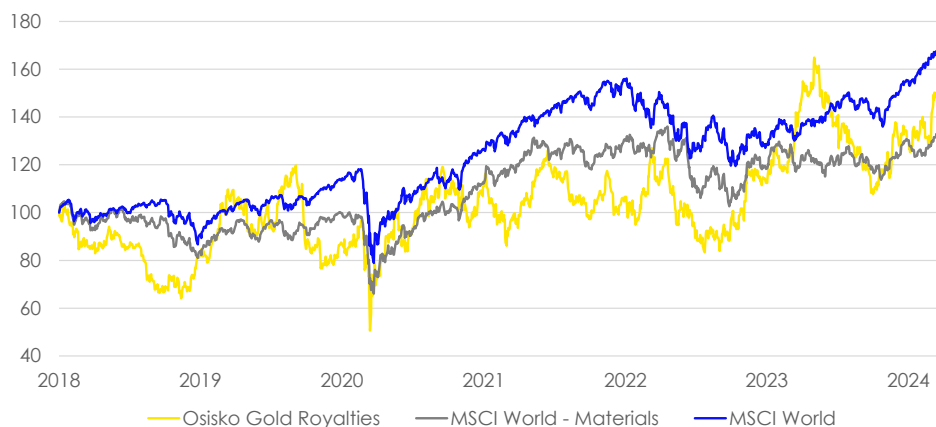
### B) Other metals also well supported

The solid gold price trend should also rub off on the other precious metals, above all **silver**. The importance of **industrial metals** for Osisko, which should not be completely underestimated, should benefit from the **structurally higher demand** thanks to **future topics** such as electromobility or renewable energies in power generation. Furthermore, relations with **Russia**, a globally important supplier of raw materials, are strained in the longer term, which makes access to many raw materials on the global market more difficult and leads to a **structurally lower supply** of some industrial metals.

### C) Attractive valuation compared to peers

Compared to other Canadian precious metals streaming companies, **Osisko Gold Royalties is attractively valued**. Based on the key figures EV/EBITDA, EV/EBIT, P/E and EV/Sales, a multiple analysis shows an **upside potential of around 25%** for the share. In our view, this is also fundamentally justified by the robust growth in GEOs, which is based on the forecasts of the operating partners.

#### Performance overview



#### Strengths/Opportunities & Weaknesses/Threats

- + Highly efficient business model
- + Diversification of assets through participation in a large number of mining projects
- + No capital cost exposure
- + Visibility on the very low operating costs
- + Potential for "Life of Mine"-extensions
- + Upside potential for gold price due to inflation and/or recession fears as well as geopolitical tensions that lead to higher demand for "safe havens"
- + Opportunity for gold as an instrument for asset diversification due to its negative correlation with other risky assets
- + Upside potential for gold due to decreasing bond yields in light of monetary policy normalisation
- Minor risk of lower demand for industrial metals
- "Higher for longer"-key rates could put pressure on gold price

## Financials

Consolidated Balance Sheet (CAD mn)	12/2020	12/2021	12/2022	12/2023
<b>Assets</b>				
<b>Current assets</b>				
Cash	302 524	115 698	90 548	67 721
Short-term investments	3 501	-	-	8 200
Amounts receivable	12 894	14 691	11 700	6 282
Inventories	10 025	18 596	-	-
Other assets	6 244	3 941	2 546	1 842
	<b>335 188</b>	<b>152 926</b>	<b>104 794</b>	<b>84 045</b>
<b>Non-current assets</b>				
Investments in associates	119 219	125 354	319 763	115 651
Other investments	157 514	169 010	73 504	93 025
Royalty, stream and other interests	1 116 128	1 154 801	1 378 253	1 553 111
Mining interests and plant and equipment	489 512	635 655	6 947	-
Exploration and evaluation	42 519	3 635	-	-
Goodwill	111 204	111 204	111 204	111 204
Other assets	25 820	18 037	1 836	8 951
	<b>2 397 104</b>	<b>2 370 622</b>	<b>1 996 301</b>	<b>1 965 987</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	46 889	30 049	6 825	8 209
Dividends payable	8 358	9 157	10 121	11 121
Current portion of long-term debt	49 867	294 891	-	-
Lease liabilities	4 431	12 179	921	1 122
	<b>109 545</b>	<b>346 276</b>	<b>17 867</b>	<b>20 452</b>
<b>Non-current liabilities</b>				
Lease liabilities	41 536	60 334	6 701	6 879
Long-term debt	350 562	115 544	147 950	191 879
Deferred income taxes	54 429	68 407	86 572	96 279
	<b>556 072</b>	<b>590 561</b>	<b>259 090</b>	<b>315 489</b>
<b>Equity</b>				
Share capital	1 776 629	1 783 689	2 076 070	2 097 691
Warrants	18 072	18 072	-	-
Contributed surplus	41 570	42 525	77 295	79 446
Equity component of convertible debentures	17 601	14 510	-	-
Accumulated other comprehensive income	48 951	58 851	47 435	28 058
Deficit	-174 458	-283 042	-463 589	-554 697
<b>Equity attributable to shareholders</b>	<b>1 728 365</b>	<b>1 634 605</b>	<b>1 737 211</b>	<b>1 650 498</b>
Non-controlling interests	112 667	145 456	-	-
<b>Total equity</b>	<b>1 841 032</b>	<b>1 780 061</b>	<b>1 737 211</b>	<b>1 650 498</b>
	<b>2 397 104</b>	<b>2 370 622</b>	<b>1 996 301</b>	<b>1 965 987</b>

(tabular amounts expressed in thousands of Canadian dollars)

Source: Osisko, RBI/Raiffeisen Research

Consolidated Statements of Income (Loss)	12/2020	12/2021	12/2022	12/2023
<b>Revenues</b>	<b>392 599</b>	<b>224 877</b>	<b>217 809</b>	<b>247 320</b>
Cost of sales	-262 881	-37 646	-16 076	-16 646
Depletion of royalty, stream and other interests	-47 009	-48 361	-51 355	-56 393
<b>Gross profit</b>	<b>82 709</b>	<b>138 870</b>	<b>150 378</b>	<b>174 281</b>
<b>Other operating expenses</b>				
General and administrative	-23 682	-19 610	-20 216	-32 829
Business development	-6 122	-4 168	-5 375	-6 179
Gain on disposal of an offtake interest	7 636	-	-	-
Exploration and evaluation	-191	-	-	-
Impairment of assets	-243 576	-2 938	-1 818	-47 619
<b>Operating income (loss)</b>	<b>-183 226</b>	<b>112 154</b>	<b>122 969</b>	<b>87 654</b>
Interest income	4 632	4 292	9 767	6 831
Finance costs	-23 548	-23 838	-22 339	-18 946
Foreign exchange gain (loss)	-1 859	-133	20 146	1 603
Share of income (loss) of associates	-22 209	-2 246	-1 863	7 925
Other gains (losses), net	-48 385	12 324	-15 557	-120 153
<b>Earnings (loss) before income taxes</b>	<b>-274 595</b>	<b>102 553</b>	<b>113 123</b>	<b>-35 086</b>
Income tax recovery (expense)	40 400	-25 926	-27 838	-13 257
<b>Net earnings (loss) from continuing operations</b>	<b>-</b>	<b>76 627</b>	<b>85 285</b>	<b>-48 343</b>
Net earnings (loss) from discontinued operations	-	-133 302	-268 475	-
<b>Net earnings (loss)</b>	<b>-234 195</b>	<b>-56 675</b>	<b>-183 190</b>	<b>-48 343</b>
<b>Net earnings (loss) attributable to:</b>				
Osisko Gold Royalties Ltd's shareholders	-234 195	-23 554	-118 754	-48 343
Non-controlling interests	-	-33 121	-64 436	-
<b>Net earnings (loss) per share from continuing operations attributable to Osisko Gold Royalties Ltd's shareholders</b>				
Basic and diluted	-	0,46	0,47	-0,26
<b>Net earnings (loss) per share attributable to Osisko Gold Royalties Ltd's shareholders</b>				
Basic and diluted	-1,55	-0,14	-0,66	-0,26

(tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Source: Osisko, RBI/Raiffeisen Research

Consolidated Statements of Comprehensive Income (Loss)	12/2020	12/2021	12/2022	12/2023
<b>Net earnings (loss)</b>	<b>16 229</b>	<b>-56 675</b>	<b>-183 190</b>	<b>-48 343</b>
<b>Other comprehensive (loss) income</b>				
Items that will not be reclassified to the consolidated statement of income (loss)				
Changes fair value of financial assets at fair value through comprehensive income	40 993	7 303	-43 486	5 915
Income tax effect	-9 319	-471	4 324	753
Share of other comprehensive income (loss) of associates	1 506	-1 665	-1 368	-3 306
Items that may be reclassified to the consolidated statement of loss				
Currency translation adjustments	-4 555	-2 990	49 904	-15 596
Reclassification to the statements of income (loss) of the other comprehensive loss	-	-	-294	-1 136
Income tax effect	-	-	-	-
Share of other comprehensive income (loss) of associates	-	-	-	-3 489
<b>Other comprehensive income (loss)</b>	<b>28 625</b>	<b>2 177</b>	<b>9 080</b>	<b>-16 859</b>
<b>Comprehensive income (loss)</b>	<b>44 854</b>	<b>-54 498</b>	<b>-174 110</b>	<b>-65 202</b>
<b>Comprehensive income (loss) attributable to Osisko Gold Royalties Ltd's shareholders:</b>				
From continuing operations	-	82 292	88 988	-65 202
From discontinued operations	-	-100 181	-204 039	-
<b>Comprehensive income (loss) attributable to:</b>				
Osisko Gold Royalties Ltd's shareholders	45 501	-17 889	-115 051	-65 202
Non-controlling interests	-647	-36 609	-59 059	-

(tabular amounts expressed in thousands of Canadian dollars)

Source: Osisko, RBI/Raiffeisen Research

Consolidated Statements of Cash Flows	12/2020	12/2021	12/2022	12/2023
<b>Operating activities</b>	<b>107 978</b>	<b>106 095</b>	<b>109 947</b>	<b>187 027</b>
<b>Investing activities</b>	<b>-223 099</b>	<b>-272 038</b>	<b>-381 861</b>	<b>-219 836</b>
<b>Financing activities</b>	<b>316 861</b>	<b>-19 601</b>	<b>219 237</b>	<b>14 310</b>

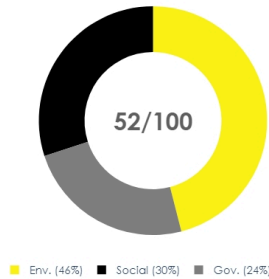
(tabular amounts expressed in thousands of Canadian dollars)

Source: Osisko, RBI/Raiffeisen Research

## ESG Scoring

In its role as a capital provider to the mining industry, Osisko does not operate or exercise operational control over the projects. Therefore, the majority of its exposure to ESG related risks comes from indirect exposure. Due to its broad diversification, we consider Osisko's ESG risks to be negligible. On the contrary, the company can make a significant contribution to the implementation of sustainable business practices due to its influence on mining partners. At Sustainalytics, Osisko Gold Royalties is ranked at the 6th place out of 120 precious metals companies.

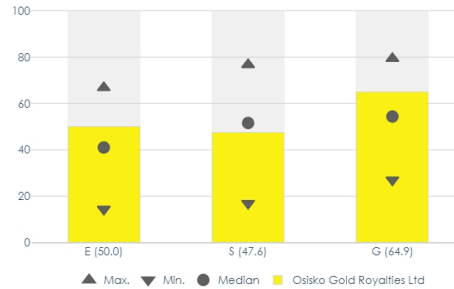
### ESG Overall Score



The pie chart shows the sector-specific weights for each subcategory within our methodology. At present, overall ESG scores of 65 or more (out of a maximum of 100) can already be classified as very good. This has been intentionally chosen in the model in order to give companies that are already well advanced in that topic the opportunity to improve further in ESG aspects in the coming years.

Source: RBI/Raiffeisen Research

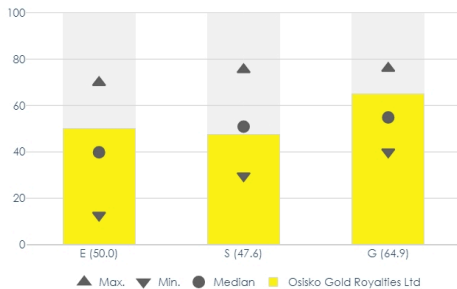
### ESG Score Industry



The chart shows the company's score in the respective subcategory of E/S/G (yellow bars), as well as the best, the worst and the median score in the respective industry.

Source: RBI/Raiffeisen Research

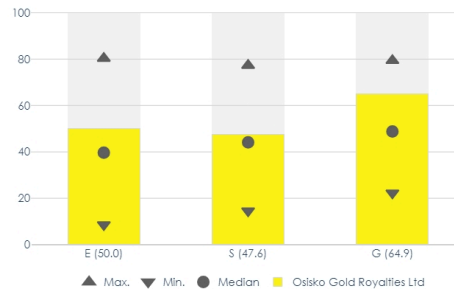
### ESG Score Country



The chart shows the company's score in the respective subcategory of E/S/G (yellow bars), as well as the best, the worst and the median score in the respective country.

Source: RBI/Raiffeisen Research

### ESG Score Global



The chart shows the company's score in the respective subcategory of E/S/G (yellow bars), as well as the best, the worst and the median score globally

Source: RBI/Raiffeisen Research

## Controversial Activities Screening

Alcohol	None	High Interest Rate Lending	None	Fossil Fuels Industry	None
Animal Welfare	None	Nuclear Power	None	Coal	None
Chemicals of Concern	Major	Pornography	None	Tar Sands and Oil Shale	None
Gambling	None	Reproductive Medicine	None	Civilian Firearms	None
Genetic Engineering	None	Tobacco	None	Military	None

The table indicates the extent of involvement in certain business activities that are subject to philosophical or moral convictions. Roughly, it can be said that "major" indicates a share of sales of more than 10% and "minor" already little exposure in the respective controversial activity. The categories nuclear power, coal, civilian firearms, military industry count here in the case of a "strong" exposure and in the case of "tobacco" already from a "weak" share of turnover as a reason for exclusion with regard to ESG conformity.

Source: Moody's, RBI/Raiffeisen Research

## Terms and definitions

**Net smelter returns ("NSR")** are the net proceeds received by the owner of a mining property from the sale of the mine's metal/non-metal products, less transportation and refining costs

**Gold equivalent ounces ("GEOs")** comprise mostly gold, other elements are converted on a quarterly basis to gold equivalent ounces by using average prices. Forecasts are based on analyst consensus estimates for the respective metal price.

**Cash margin** is a non-IFRS financial performance figure published by the company. Its a measure for the royalties and streams segment and has no standard definition under IFRS. It is calculated by deducting the cost of sales (excluding depletion) from the revenues.

**Life of Mine ("LOM")** is the lifetime of a mine at a given mining rate.

**Royalty** – A royalty is a non-operating interest in a mining project that provides the holder the right to receive a percentage of metal produced, or revenues or profits generated from the project.

**Stream** - A stream is a purchase agreement that provides the holder the right to purchase all or a portion of one or more metals produced from a mining project at a defined price or a pre-determined percentage of the spot price.

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